IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-14451-2015
Date of decision:- 21.07.2015

M/s M. Aggarwal & Co.

...Petitioner

Versus

The State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE S.J. VAZIFDAR, ACTING CHIEF JUSTICE
HON'BLE MR. JUSTICE G.S. SANDHAWALIA

Present: Mr. Sandeep Goyal, Advocate,
for the petitioner.

* * * *

S.J. VAZIFDAR, A.C.J. (ORAL)

The petitioner – a partnership firm has challenged a notice dated 13.05.2015 calling upon them to show cause as to why the input tax credit on the purchases made by them from M/s Salasar Ispath be not rejected and penalty proceedings under Section 56 of the Punjab Value Added Tax Act, 2005 (in short the Act) and interest under Section 32(3) of the Act be not imposed.

2. We do not see any reason to interfere with the proceedings at this stage. The petitioner has already appeared before the assessing authority. We would like to believe that the petitioner's apprehension that the authority would not follow a law binding upon it is not justified.

3. Mr. Goyal submitted that the assessing authority ought to follow the judgement of the Division Bench of this Court in *Gheru Lal Bal Chand Vs State of Haryana and another* [2011] 45 VST 195 (P&H), which is a jurisdictional Court, for two reasons.

Firstly, that the authority is bound by the judgement of the jurisdictional Court and not of any other Court except of course the Supreme Court.

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Secondly, that the authority is likely to follow the judgement of the Bombay High Court in the case of *Maha Laxmi Ginning Pressing and Oil Industries Vs State of Maharashtra and others* [2012] 51 VST 1 (Bom).

4. If indeed the judgement of the Division Bench of this Court applies to the petitioner's case, there is no reason to believe that the assessing authority will not follow the judgement. Indeed, it would be bound to do so.

5. Mr. Goyal also states that the provisions of the relevant enactment in Maharashtra are different from those of the Act as applicable in Punjab. We are sure that the assessing authority will take that into consideration as well.

6. The writ petition is, therefore, disposed of.

7. The assessing authority shall furnish detailed reasons for the decision especially in respect of Mr. Goyal's aforesaid submissions.

(S.J. VAZIFDAR)
ACTING CHIEF JUSTICE

(G.S. SANDHAWALIA)
JUDGE

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